(d) how Government propose to handle the disinvestment proposals for such sensitive and strategic units?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir.

(d) All concerns on security would be suitably addressed and safeguards built in at the time of disinvestment in Engineers India Ltd. (EIL) as had been done in the earlier cases.

Privatisation of Public Sector Industries

2380. SHRI NANDI YELLAIAH: Will the Minster of DISINVESTMENT be pleased to state:

(a) the details of the amount realised by Government, industry-wise, after privatising the Public Sector Industries;

(b) the details of the utilisation of the realised amounts form privatisation of Public Sector Industries;

(c) the details of the achievements made after privatisation, in strengthening the National Economy and solving unemployment in the country;

(d) whether amounts of profits made on an average, annually, during last three years and amounts collected on an average, annually, during last three years by way of taxes etc. form all the Public Sector Industries could be achieved after privatising them, annually;

(e) if so, details of the data to substantiate it; and

(f) if not, the reasons for privatising even profit-making Public Sector Industries?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) A statement is annexed (*See* below).

(b) The amount realised from disinvestment in PSUs has been deposited in the Consolidated Fund of India.

(c) Disinvestment of PSUs through strategic sale was initiated only about three years back and most of the transactions have been concluded in the last one year or so. Sufficient time has not elapsed so far to analyse its impact on the national economy or employment situation in the country. However, disinvestment is expected to facilitate the productive use of assets and the creation of new assets, which will contribute to growth and employment.

Out of the net reduction in employment of 2769 in 9 disinvested companies, 101 India Tourism Development Corporation (ITDC) and one hotel of Hotel Corporation of India three-fourths or 2145 employees were accounted for by two companies—Modern Food (India) Ltd. (MFIL) and Bharat Aluminium Company Ltd. (BALCO). However, it is no that even prior to disinvestment since 1991-92, there was a reduction in employment in the PSUs of 3401 employees which indicates that the loss of employment, if any, cannot be disinvestment alone but relates to the restructuring requirements of specific companies. In of CMC Ltd. there has been a net addition in employment of 425 against the employee 3119 at the time of disinvestment. There have been no cases of retrenchment. Pendi agreements have been finalised in several cases resulting in an increase in wages and allow employees.

Modern Food Industries (India) Ltd. (MFIL) and Paradeep Phosphates Ltd. (PPL) was making companies prior to disinvestment. Post disinvestment, the companies have substantial growth in sales and loss levels have been significantly reduced. Indian Petroc Corporation Ltd. (IPCL) was a profitable company, which was disinvested in June, 2002 the first nine months of 2002-2003 as reported by the company, there has been an 11% in gross turnover and a 104% increase in net profit as compared to the same period in the year. In BALCO, various operational and input costs have been reduced, the production metal has increased and the new management is considering a four-fold increase in the capacity.

These examples show that efficiency enhancement has been achieved by disinvest which is beneficial for the economy and for employment.

(d), (e) & (f) The information is being collected and will be laid on the Table of the House.

Statement

Details of disinvestment and amount realised through strategic sale and related transactions since 1999-2000 to till date.

(Rs. in crore)

Sl. No.	Name	Realisation
1	2	3
1a.	Modern Food Industries Ltd. (MFIL)	105
1b.	MFIL-Phase II	44
2.	Bharat Aluminium Company Ltd.	826.5^
3.(a)	CMC Ltd.	152
3.(a)	CMC Ltd. @	6.07
4.	HTL	55
5.	Lagan Jute Machinery Corporation ITDC-19 HOTELS	2.53
6	Agra Ashok	3.61
7.	Bodhgaya Ashok	1.81
8.	Hassan Ashok	2.27
9.	TBABR Mamallapuram	6.13
10.	Madurai Ashok	4.97
11.	Bangalore Ashok*	39.41 (up-front fee); (4.11—MGAP)
12.	Qutab	34.46
13.	Lodhi	71.93
14.	LVPH, Udaipur	6.77
15.	Manali Ashok	3.65
16.	KABR Kovalam	40.39
17.	Aurangabad Ashok	16.50
18.	Airport Kolkata Ashok	19.39
19.	Khajuraho Ashok	2.19
20.	Varanasi Ashok	8.38
21.	Kanishka	92.37
22.	Indraparastha (AYN)	43.39

1	2	3
23.	Chandigarh Hotel Project	17.27
24.	Ranjit	29.20
	Sub-total	**444.09**
HCI-3 HOTELS		
25.	Centaur Hotel Juhu, Bombay	153
26.	Indo Hokke Hotels Ltd.	6.51
27.	Centaur Hotel Airport, Mumbai	83
	Sub-total	**242.51**
28.	IBP	1153.68
29.	Videsh Sanchar Nigam Ltd. (VSNL)	3689^
30.	State Trading Corporation of India (STC)	40^^^
31.	MMTC Ltd.	60^^^
32.	Paradeep Phosphates Ltd.	151.70
33.	JESSOP	18.18**
34(a)	Hindustan Zinc Ltd. (HZL)	445
34(b)	Hindustan Zinc Ltd. (HZL)@	6.18
35	Maruti Udyog Ltd. (MUL)	2424^^**
36.	Indian Petrochemicals Corporation Ltd. (IPCL)	1490.84
	Grand Total	**11356.28**

* Including NPV of future earnings on MGAP & lease rentals.

** expected.

^ Including dividend & divi. Tax.

^^ minimum amount to be received over 3 tranches; could go up to Rs. 3158 cr. Companies at Sr. No. 5, 23, 25, 26, 27 & 33 are subsidiaries. Sale at 33 to be approved by Government/BIFR

^^^ The receipt is on account of transfer of cash reserves.

@ Disinvestment in favour employees.